

People's Republic of Bangladesh

FINANCIAL SECTOR SUPPORT PROJECT II (FSSP II)

(P512154)

**ENVIRONMENTAL AND SOCIAL
COMMITMENT PLAN (ESCP)**

Appraisal Version

13 Aug 2025

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The People's Republic of Bangladesh (the Recipient) will implement the Financial Sector Support Project II (FSSP II) (the Project) with the involvement of the Bangladesh Bank (BB), under the Ministry of Finance (MoF), as set out in the Financing Agreement (the Agreement). The International Development Association (IDA) (the Association) has agreed to provide financing for the Project (P512154), as set out in referred agreement.
2. The Recipient shall ensure that the project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Association. The ESCP is a part of the Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the Agreement.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Recipient shall carry out or cause to be carried out, including, as applicable, their respective timeframes, institutional, staffing, training, monitoring and reporting arrangements, and grievance management. The ESCP also sets out the environmental and social (E&S) documents that shall be prepared or updated, consulted, disclosed and implemented under the Project, consistent with the ESSs, in form and substance, acceptable to the Association. Said E&S documents may be revised from time to time with prior written agreement by the Association. As provided for under the referred Agreements, the Recipient shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Association and the Recipient, this ESCP will be revised from time to time if necessary, to reflect adaptive management of Project changes or unforeseen circumstances or in response to project performance of the Activities. In such circumstances, the Association and the Recipient agree to update the ESCP to reflect these changes through an exchange of letters signed between the Association and the Recipient's through BB Representative specified in the Agreements. The Recipient, through BB, shall promptly disclose the updated ESCP.
5. The subsection on "Indicators for Implementation Readiness" below identifies the actions and measures to be monitored to assess Project readiness to begin implementation in accordance with this ESCP. Nevertheless, all actions and measures in this ESCP shall be implemented as set out in the "Timeframe" column below irrespective of whether they are listed in the referred subsection.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT			
A	<p>ORGANIZATIONAL STRUCTURE</p> <p>Establish and maintain a Project Implementation Unit (PIU) at Bangladesh Bank with qualified staff and resources to support management of environmental, social, health and safety (E&S) risks and impacts of the Project.</p> <p>BB to recruit an Environmental and Social (ES) Specialist– responsible for addressing environmental risks/impacts, environment related occupational health and safety issues as well as e-waste management issues and responsible for addressing risks associated with social issues (labor, gender, GRM OHS), and for monitoring and ensuring application of ES instruments in accordance to the ESCP, with experience and under terms of reference satisfactory to the Association.</p>	Within 6 months of Effectiveness and thereafter maintain the PIU and these positions throughout Project implementation.	Implementation Unit (PIU) at BB
B	<p>CAPACITY BUILDING PLAN</p> <p>Develop and provide the following types of capacity assessment/training to the relevant target groups, such as PIU staff, stakeholder community, project workers, consultants, suppliers, etc:</p> <ul style="list-style-type: none"> • Introduction to World Bank ESF and implementation of ESF instruments • Labor and working conditions including OHS • Community health and safety • Stakeholder Engagement • E-Waste Management • ES compliance monitoring and audit • Incident reporting, ESIRT • SEA/SH prevention and mitigation measures • Planning and implementation of GRMs, including for SEA/SH 	Provide capacity development measures throughout Project implementation, including when new contractors are engaged.	Implementation Unit (PIU) at BB
MONITORING AND REPORTING			
C	<p>REGULAR REPORTING</p> <p>Prepare and submit to the Association regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the AF, including but not limited to:</p> <ul style="list-style-type: none"> ✓ The implementation of the ESCP ✓ Status of preparation and implementation of ES instruments required under the ESCP, ✓ Summary of stakeholder engagement activities carried out as per the Stakeholder Engagement Plan (SEP) ✓ Functioning of grievance mechanisms: complaints submitted to the GM(s), the grievance log, and progress made in resolving them. ✓ E&S performance of contractors and subcontractors 	Submit semi-annual progress reports to the Association throughout project implementation, commencing three months after the Effective Date. Submit each report to the Association no later than 15 days after the end of each reporting period.	Implementation Unit (PIU) at BB

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	✓ Number and status of resolution of incidents and accidents reported under action E below		
E	<p>INCIDENTS AND ACCIDENTS</p> <p>Promptly notify the Association of any incident or accident relating to the project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, those resulting in death or significant injury to workers or the public ; acts of violence, discrimination or protest; unforeseen impacts to cultural heritage or biodiversity resources; pollution of the environment; forced or child labor; displacement without due process (forced eviction); allegations of sexual exploitation and abuse (SEA), or sexual harassment (SH), or disease outbreaks. Provide available details of the incident or accident to the Association upon request.</p> <p>Arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Association, and implement a Corrective Action Plan that sets out the measures and actions to be taken to address the incident or accident and prevent its recurrence</p>	<p>Notify the Association no later than 48 hours after learning of the incident or accident. Provide available details through ESIRT form upon request.</p> <p>Provide review report and Corrective Action Plan to the Association no later than 10 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Association.</p>	Implementation Unit (PIU) at BB
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ENVIRONMENTAL AND SOCIAL INSTRUMENTS</p> <p>The PIU will be responsible for preparing and implementing key E&S documents, including the ESCP (with LMP embedded), e-waste management plan, and SEP to ensure compliance with the ESF. A POM will be prepared, incorporating measures for labor conditions, sexual exploitation and abuse, community health etc.</p>	Within 3 months of Effectiveness and thereafter implement the ESCP.	Implementation Unit (PIU) at BB
1.2	<p>TECHNICAL ASSISTANCE</p> <p>Ensure that the consultancies, studies, capacity building, training and any other technical assistance activities under the Activities, including any environmental and social assessments and related environmental and social instruments, are carried out in accordance with terms of reference acceptable to the World Bank, that are consistent with the ESSs. Thereafter ensure that the outputs of such activities comply with the terms of reference.</p>	Throughout project implementation	Implementation Unit (PIU) at BB
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Ensure that workers are engaged in the implementation of the project activities consistent with ESS2. To this end, ensure that the following measures are carried out:</p>	Adopt the LMP prior to Appraisal and implement throughout Project implementation.	Implementation Unit (PIU) at BB

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>a) Provide workers with information and documentation that is clear and understandable regarding their terms and conditions of employment through written contracts setting out their rights, including, inter alia, rights related to hours of work, wages, overtime, compensation, and benefits, as well as written notice of termination of employment, and details of severance payments, as applicable;</p> <p>b) Implement occupational health and safety measures, if required, considering the General Environmental, Health and Safety Guidelines (EHSGs), and other relevant Good International Industry Practice (GIIP) and, as appropriate, the industry specific EHSGs and other Good International Industry Practice (GIIP);</p> <p>c) Implement measures, as applicable, to, inter alia: (i) prevent the use of all forms of forced labor and child labor; (ii) enable workers to benefit from, inter alia, access to grievance and redress mechanisms without fear of retaliation; and effective freedom to form and join workers organizations or alternative mechanisms for expressing their concerns and protect their rights related to labor and working conditions;</p> <p>d) Implement a code of conduct for workers, which shall include measures to prevent and respond to Sexual Exploitation and Abuse and Sexual Harassment cases; safeguard against workplace harassment, that promotes non-discrimination and equal opportunity for all and</p> <p>e) Civil servants in this project will fall under the government employment rules. However, some part of ESS2 (such as the provisions of paragraphs 17 to 20 (Protecting the Work Force) and paragraphs 24 to 30 (Occupational Health and Safety) would still be applicable to them.</p> <p>f) Incorporate the relevant requirements above in the ESHS specifications of the procurement documents and contracts with third parties that engage workers in the implementation of the Activities.</p>		
2.2	<p>GRIEVANCE MECHANISMS FOR PROJECT WORKERS</p> <p>Establish and operate a grievance mechanism for the project which all projects workers can use. Grievance mechanism will also be responsive to SEA/SH complaints</p>	Establish grievance mechanism prior to engaging Project workers and thereafter maintain and operate it throughout Project implementation.	Implementation Unit (PIU) at BB
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
3.1	E-WASTE MANAGEMENT PLAN Prepare and implement an E-Waste Management Plan (E-WMP) ensuring environmentally sound handling, transportation, and disposal of e-waste.	The E-WMP shall be prepared, disclosed, consulted, and adopted before carrying out the relevant Project activities, and thereafter implemented throughout the project	Implementation Unit (PIU) at BB
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	COMMUNITY HEALTH AND SAFETY Assess and manage specific risks and impacts to the community arising from Project activities, including, e-waste generation, cyber security etc. and include mitigation measures in the POM. .	Within 3 months of Effectiveness and thereafter implement the ESCP.	Implementation Unit (PIU) at BB
4.2	SEA AND SH RISKS Project entails no civil work and refurbishments. However, some activities might present a risk of SEA/SH during the project implementation. PIU will prepare and implement a Code of Conduct (CoC) as part of the SEP. Additionally, the requirements of ESS4 shall be taken into account to assess the potential risks of SEA/SH for the Activities and if relevant, develop an SEA/SH action plan to mitigate these risks.	Same timeframe as for the preparation and implementation of the ESCP (with LMP embedded) and SEP.	Implementation Unit (PIU) at BB
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	Not relevant		
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	Not relevant		
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
7.1	Screen for the presence of indigenous people/communities meeting ESS 7 criteria. If IPs are identified in project areas, adopt measures to address exclusion risks through comprehensive targeting, consultation and information sharing.	Before commencement of activities. Apply mitigation measures throughout project implementation	Implementation Unit (PIU) at BB
ESS 8: CULTURAL HERITAGE			
8.1	Not relevant		
ESS 9: FINANCIAL INTERMEDIARIES [This standard is only relevant for Projects involving Financial Intermediaries (FIs).]			
9.1	Not relevant		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION Prepare, update and implement a Stakeholder Engagement Plan (SEP). Carryout continuous stakeholder engagement and consultation, consistent with ESS 10, and consult with them in a culturally appropriate manner, which is free from manipulation, interference, coercion, discrimination, and intimidation.	Prepare the SEP prior to Appraisal and thereafter implement the SEP throughout Project implementation.	Implementation Unit (PIU) at BB

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>A. Identification of stakeholders, including the affected and interested parties, the vulnerable and the disadvantaged.</p> <p>B. Continuously engage and consult with the stakeholder at appropriate time and place to provide project related information including ES risks and impacts.</p> <p>C. Design project activities as per the stakeholder inputs and report back to them to complete the feedback loop in a culturally appropriate and timely manner.</p> <p>D. Remove obstacles to participation and ensure views of differently affected groups are captured.</p>		
10.2	<p>PROJECT GRIEVANCE MECHANISM</p> <p>Establish, publicize, maintain, and operate an accessible grievance mechanisms, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10.</p> <p>The grievance mechanisms shall be equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner</p>	<p>Establish the grievance mechanism within one month of the PIU formation and thereafter maintain and operate the mechanism throughout Project implementation.</p> <p>Until the GRM is effective, the BB's own GRM will receive and address the grievances following the due process.</p>	Implementation Unit (PIU) at BB
INDICATORS FOR IMPLEMENTATION READINESS			
<p>The following actions are indicators for implementation readiness:</p> <ul style="list-style-type: none"> ✓ PIU with requisite E&S Consultant/Specialist in place ✓ Project GRM in place ✓ SEP updated and implemented. 			